

CAPITAL IMPROVEMENT PROGRAM

INTRODUCTION

The City's Capital Improvement Program (CIP) is a multi-year planning instrument that drives the evaluation and identification of capital infrastructure projects in need of renovation, repair and/or construction. Capital projects range from road maintenance or construction to the renovation of municipal buildings, recreation centers and ball fields, to water main and sewerage system repair. The CIP relates these capital project needs to the financial sources that will support their realization and the timeframe in which both the financing and work will take place. Capital improvement programming is the process by which these capital projects are identified, prioritized, and selected, and thus inserted into the long-range fiscal and strategic planning of the City. The CIP is designed to report to Council, the public, city staff, and other interested parties the capital management and planning strategies of the City.

THE RELATIONSHIP BETWEEN THE CIP AND THE ANNUAL OPERATING BUDGET

In order to reap the benefits of focused attention paid to the long-term strategic planning and visioning of capital projects, the Capital Improvement Program is for the most part developed separately from the City's Annual Operating Budget and is printed as a separate document. The City Council conceptually approves the Capital Improvement Program projects for the current fiscal year. Those projects are then inserted into the budget document for formal fund appropriation at budget adoption. For additional information on the individual projects, please refer to the separate publication, entitled City of Riverside FY 2002/03-FY 2007/08 Capital Improvement Program.

FUNDING SOURCES

The City employs a combination of approaches to fund its capital projects. For many smaller improvement projects, the budget requirements are paid from cash on hand ("Pay As You Go"). Large-scale capital projects are funded through a variety of methods, including long-term financing, user fees, proceeds from bond issues, grants, assessments, impact fees, tax levies, certificates of participation, and reserve balances. Figure 1 approximates the various funding sources from which the Capital Improvement Program is funded for FY 2003/04.

Figure 1: CIP Funding Sources

Since the City's 20 departments are spread over nearly 60 funds, each potentially with their own revenue streams, the funding sources are greatly varied and the process decentralized. The Enterprise Fund Departments, for example, Airport, Public Utilities, and Public Works (sewer and refuse), typically fund their own capital improvements since their revenue streams (including user fees) in most cases entirely support the department's operations and capital projects.

General Fund Departments, however, such as Fire, Police, and the Museum, are more difficult to fund over the long run due to uncertainty over specific revenue streams.

FY 2003/04 Revenue Highlights	
Category	Total
Pay As You Go	2,339,224
User Fees and Charges	80,518,211
Development Fees	350,000
State Funds	16,279,931
Federal Funds	2,682,500
Bond Proceeds	40,569,156
Park Fees	3,573,318
Other	6,138,240
Regional Taxes	5,500,000
Total	157,950,580

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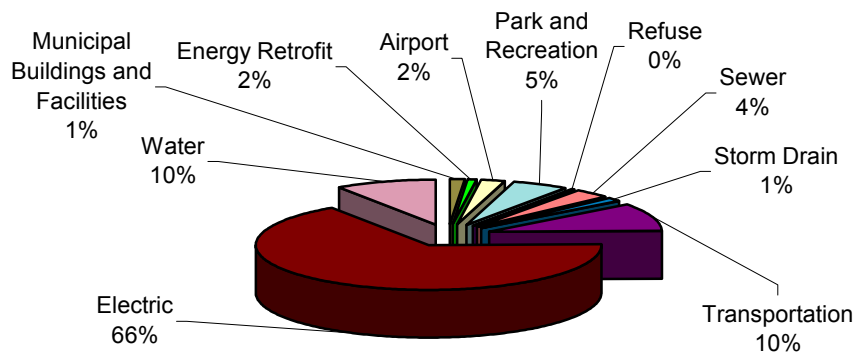
Projects for these departments are typically funded year-to-year based on available resources.

CAPITAL BUDGET

The FY 2003/04 capital budget includes improvements totaling \$116,357,550. The six-year capital program is partitioned into nine sections: Airport, Municipal Building and Facilities, Park and Recreation, Refuse, Sewer, Storm Drain, Transportation (streets and traffic signals), Electric, and Water. The relative distribution of projects within each section is demonstrated in Figure 2.

With a combined 79 percent of the six-year CIP expenditure requirements, the Electric, Water, and Transportation programs can be considered to be the main drivers of the CIP. Major projects include the major and minor street rehabilitation and construction program, the construction of two new power generation plants to meet increased future demand, and water main replacements.

Figure 2. Distribution of FY 2003/04 CIP



AMENDING THE CAPITAL BUDGET

At any Council meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least five members. This vote authorizes the transfer of unused balances appropriated for one purpose to another purpose or to appropriate available funds not included in the budget.

HIGHLIGHTS OF THE FY 2003/04 CAPITAL IMPROVEMENT PROGRAM BY STRATEGIC PLAN GOAL

The following provides highlights from the FY 2003/04 CIP by the applicable Strategic Plan Goal. Figure 3 represents the nexus between the City's capital planning, strategic planning, and community visioning process. Note that not all projects are represented below. A complete listing for all FY 2003/04 approved capital projects is appended to this section. For additional information on a specific project, please refer to the separate publication, entitled City of Riverside FY 2002/03-FY 2007/08 Capital Improvement Program.

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Figure 3. Highlights of the FY 2003/04 Capital Budget by Strategic Plan Goal

PROJECT DESCRIPTION	BUDGET SECTION	FY 2003/04 FUNDING
<i>Improve and Preserve our Quality of Life</i>		
Orangecrest Branch Library Preliminary Planning and Design	510500	100,000
Reid Park Phase IV and V Improvements (Phase V will be budgeted upon receipt of Prop 40 Grant funds)	5200110	Phase IV – 1,525,000 Phase V – 1,675,000
Martin Luther King High School Ballfield Lights (Will be budgeted upon receipt of Prop 40 Grant funds)	520011	750,000
Peaking Generating Plant	613000	55,000,000
Water Main Replacements	623000	3,250,000
Sidewalk Repair, Trail Construction and Backlog Reduction	413530	1,550,000
<i>Reduce Transportation Congestion and Improve Traffic Flow</i>		
Orangecrest/Mission Grove Congestion Relief Plan	413530	250,000
Traffic Signals & System Timing Plan	413540	1,435,000
La Sierra Ave Widening – Indiana to Cleveland	413530	200,000
Market Street/SR 60 Ramp	413530	400,000
60/215/91 Freeway Utility Relocation	623000 613000	2,600,000*
<i>Beautify the City</i>		
Main Library Refurbishment	221040	100,000
Fairmount Park Beautification	520012	1,260,000
Market Street Widening - Fairmount to First	413530	600,000
Median Construction & Landscaping	413530	350,000
Major overhead/underground utility conversions	613000	1,000,000
Water Facility Beautification	623000	100,000

*\$2,500,000 of this amount is to be reimbursed by CalTrans.

OPERATING IMPACTS OF PROPOSED CAPITAL PROJECTS

The potential operating impact of any proposed capital project is carefully considered as part of the capital program review process. Many projects are infrastructure related, such as street and utility improvements and general facility repairs/enhancements and do not carry significant operating impacts. Much of the improvements are contained within cyclical replacement programs and have an annual appropriation which covers their “operating” costs such as repairs and replacements.

Those projects that do carry a significant operating impact are noted in the City of Riverside FY 2002/03–FY 2007/08 Capital Improvement Program document. For reference purposes, the FY 2003/04 proposed projects carry a potential future estimated operating impact of approximately \$584,800 in the future. This includes the preliminary planning and design work for the proposed Orangecrest Branch Library and park projects.